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File Insurance
C.R. P & A
17 September 1965

MEMORANDUM FOR: Mr. Warner

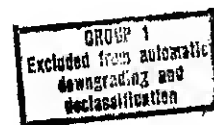
SUBJECT: Voiding of Employee's Personal Insurance
Because of Situations Arising Out of
Their Official Duty

1. In accordance with your recent request, a survey was made of other Government agencies and departments to determine their response to the above problem. The uniform response from those sources who had faced the problem was the sponsoring of a group accident policy, financed by employee contributions only, to cover the situations wherein personal insurance would be voided. A detailed description of the response of each source follows.

2. Atomic Energy Commission - A representative of their General Counsel's Office indicated that they do not face the above problem since only employees of the contractors are involved in activities which might void their personal insurance. When the commission first began its activities, it required contractors to carry insurance to cover their own employees in work performed for the commission. As a result of AEC's excellent safety record, insurance companies do not write exclusions for their type of work. Thus, this problem has not arisen for the AEC because their employees do not become involved in problem situations and because their safety record has convinced the underwriters there is no need to write exclusions in their policies for AEC work.

3. FAA - This Agency does conduct activities which would void its employees' insurance. The present situation is that its employees must pay sizable premiums for special insurance to cover such situations. The proposed solution to their problem, as stated by their General Counsel's Office, is to sponsor a low-cost group accident insurance plan to cover the problem situations. This plan would be financed exclusively by employees.

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4. DOD - The problem of voided insurance has confronted the Department of Defense most prominently with respect to civilian personnel assigned to Vietnam. Mr. Kirby of their General Counsel's Office stated that although these personnel were covered by BEC it was felt something more was needed. He stated he was presently working on the development of a group plan which would cover the problem situations. When queried about making a direct payment to individuals whose insurance was voided, he stated that such payments would require Congressional action since they had no authority to make such an expenditure.

5. NASA - This Agency has sponsored a group accident policy to cover problem situations. Like other agencies, the plan is financed solely by employees. Mr. Wolf of their General Counsel's Office stated that no special action has been taken in cases such as the deaths last year of NASA employees resulting from a missile accident.

6. With respect to special death benefits for Government employees, there is at least one law providing for such special benefits. Employees of the House of Representatives are entitled to special death benefits under 4 U.S.C. 125 which reads as follows:

§ 125. Gratuities for survivors of deceased House employees; computation

The Clerk of the House is on and after July 2, 1954 authorized to pay, from the contingent fund of the House, a gratuity to the widow, widower, or heirs-at-law, of each deceased employee of the House an amount equal to one month's salary for each year or part of year of the first six years' service of such employee plus one-half of one month's salary for each year or part of year of such service in excess of six years to and including the eighteenth year of such service. Service computed hereunder shall include all Federal civilian employment, and military service where such service interrupted Federal civilian employment, and military service where such service interrupted Federal civilian employment. July 2, 1954, c. 455, Title 1, § 101, 68 Stat. 403.

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Payments made under the above section are in addition to other benefits paid to Government employees such as BEC and FEGLI and are considered to be gifts by virtue of 4 U.S.C. 125a. 25X1



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